

# **The California School-Based MAA Manual**

## **SECTION 11**

### **Instructions for Preparing the LEA MAA Detail Invoice and the LEA MAA Summary Invoice**

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## **INTRODUCTION**

The instructions for the MAA Detail Invoice, with supporting worksheets, and the MAA Summary Invoice are to be used for the MAA claiming process initiated July 1, 2003. The results of the MAA Detail Invoice flow into the MAA Summary Invoice, which is submitted along with the MAA Detail Invoice. A sample MAA Invoice is in Appendix B. The MAA Detail Invoice includes the following documents:

- Activities and Medi-Cal Percentages Worksheet
- Direct Charges Worksheet
- Payroll Data Collection Worksheet
- Costs and Revenues Worksheet
- Summary Invoice

The MAA Detail Invoice integrates the costs and the funding source elements that must be offset to derive the amount of FFP. The amount to be reimbursed is determined when the net costs are factored by the appropriate Medi-Cal discount percentage and activity percentages determined from the time survey.

Before preparing the invoice, review the following documents to ensure you are using the most current information:

- PPLs
- Operational Plans
- Applicable MAA Contracts
- The School-Based Manual

Before submitting the MAA Detail Invoice and the MAA Summary Invoice, the operational plan must be completed and all required materials maintained in an audit file (see Section 8). The information entered on the MAA Detail Invoice must be consistent with that found on the Grid.

The MAA Detail Invoice includes four cost pools, three of which are identified on the Costs and Revenues Worksheet and one of which is identified on the Direct Charge Worksheet. All costs for the claiming unit must be reported on these worksheets. The cost pools are described later in this section and are named:

- Time Survey Cost Pool
- Direct Charge Cost Pool
- Non-MAA Cost Pool
- Allocated Cost Pool

*Note: All personal services **and** subcontractor contracts must be noted in the Claiming Unit's operational plan, and the associated costs must be tracked separately if they are coded as a contract service.*

The specific Medi-Cal Discount Percentage and the results of the time survey are reported on the Activities and Medi-Cal Percentages Worksheet.

Data should only be entered where indicated by these instructions. Data should NEVER be entered in the shaded areas. Doing so will alter the spreadsheet and, therefore, incorrectly calculate the components of the claim resulting in an erroneous amount of reimbursement. Data to be input is obtained from external sources, such as accounting system reports, spreadsheets, journals, and payroll records. Only those costs and funding sources applicable to the claiming entity should be included. Once all the items are entered, the spreadsheet will automatically calculate the remainder of the claim.

When prompted to input data into cells of the MAA Detail Invoice and the data for the claiming unit is zero, the claiming unit should enter "0".

All data entered on the invoice must include documented evidence linking it to the specified cost pool or funding source designation and must be maintained in the audit file. For example, salaries and benefits assigned to staff by entry into the Time Survey Cost Pool should be evidenced by payroll documentation to show the expenditure of such salaries and benefits.

### **HOW TO ENTER PERCENTAGES**

The worksheet cells in which a percentage must be entered are pre-formatted to display as a percent. Use the decimal form when entering percentages. For example:

- 35 percent should be entered as "35"
- 5.5 percent should be entered as "5.5"
- 100 percent should be entered as "100"

### **ROUNDING**

All numbers should be rounded to two decimal points. If the third decimal place is a "5" or higher, round up. Otherwise, round down. For example:

- 35.674 percent should be entered as "35.67"
- 12.075 percent should be entered as "12.08"
- 49.463 percent should be entered as "49.46"

## **CONSTRUCTING COST POOLS**

For each claimed period, all costs and funding sources of the claiming entity either must be assigned to one of the cost/funding pools or must be direct-charged. The LEC/LGA has the option of either including all costs and funding for a program or including only those costs and funding amounts for the unit performing the MAA. The second option is only permissible if the costs are in a separate budget unit and can be separately identified. An example might be claiming for school nurses who perform MAA and whose costs are in a separate budget unit and can be separately identified.

### **Time Survey Cost Pool**

Staff whose costs should be included in the Time Survey Cost Pool consists of the following:

- One-hundred percent of the non-federally funded costs of staff who participated in the time survey (Participant).  
*(For example, a time survey participant's salary and benefit costs are 70-percent federally funded and 30-percent funded by other state or local sources. For that participant, only 30 percent of the salary and benefit costs may be included in the Time Survey Cost Pool.)*
- The non-federally funded costs of Personal Services Contractors who time-survey to determine MAA costs because the contract language is nonspecific as to the MAA to be performed.

Claiming Unit staff whose salary and benefits are 100-percent funded by federal programs may not be included in the Time Survey Cost Pool.

A participant in the time survey may include any individual who may have direct contact with students and provide a MAA service. This could include, for example, a bilingual school janitor who provides interpretation related to Medi-Cal for a non-English-speaking student or a school psychologist who refers students to Medi-Cal-covered services.

### **Direct Charge Cost Pool**

Includes the costs associated with staff that did NOT participate in the time survey, and are NOT included in any of the other cost pools. Direct charge costs should be entered on the Direct Charge Worksheet and included in the Claiming Unit's Operational Plan. Typically, items to be direct-charged include those items for which the associated costs can be easily identified and tracked on an ongoing basis. Examples include:

- a. A subcontractor/Personal Services Contractor contract that specifically defines the MAA activities to be performed and the costs associated with each of those activities.
- b. The costs associated with an employee who may perform only one of the MAA allowable activities 100 percent of the time.
- c. The costs associated with an employee who may perform multiple allowable MAA activities, each of which can be easily tracked and identified.
- d. The costs associated with MAA Coordinators.

## Non-MAA Cost Pool

Includes the costs associated with staff that did not participate in the time survey, are not included in any other cost pool, and are not included in the Direct Charge Worksheet. Typically, this includes staff providing direct medical services and classroom instruction and staff that are included in the Claiming Unit's indirect cost rate calculation.

## Allocated Cost Pool

Costs include general and administrative staff in the Claiming Unit who:

- Did not time survey, whose costs are not direct charged, and by the nature of their work, support the staff in the other cost pools.
- Perform certain administrative functions whose costs are not included in any indirect cost rate for the Claiming Unit. Costs included in the Claiming Unit's indirect cost rate calculation should be included in the Non-MAA Cost Pool.

Staff included in the Allocated Cost Pool may include management, secretarial, fiscal, supervisory and clerical staff not included in any other cost pool. Their costs will be allocated to each of the other three cost pools based on each cost pool's ratio of personnel costs to the total personnel costs of those three cost pools.

*Note: Costs of certain functions, such as payroll, maintaining inventories, developing budgets, executive directions, etc., are overhead and are only allowable through the application of an indirect cost rate. Therefore, they may not be included in the Allocated Cost Pool. A Claiming Unit might want to include in the Allocated Cost Pool, for example, the costs used to calculate its indirect cost rate; however, these costs are subsequently allocated to each of the other three cost pools, and the Claiming Unit would be billing for the same costs twice, which is not allowed.*

## INVOICE INFORMATION

The following section contains detailed instructions for completing the school-based MAA Invoice. The invoice consists of an excel workbook with six worksheets/tabs within the workbook. Each worksheet/tab (numbered 1 through 6) is labeled as follows:

- TAB 1 Activities and Medi-Cal Percentages Worksheet
- TAB 2 Direct Charges Worksheet
- TAB 3 Payroll Data Collection Worksheet
- TAB 4 Cost and Revenues Worksheet
- TAB 5 MAA Summary Invoice Worksheet
- TAB 6 Quarter Averaging Supplemental Worksheet

See Appendix B for an example of the SBMAA Invoice.

## **ACTIVITIES AND MEDI-CAL PERCENTAGES WORKSHEET (TAB 1)**

**Rows 1–9:** Enter the information as indicated in the unshaded areas.

**Row 1:** Claiming Unit Name and CDS Code (new addition).

*Note: The name of the Claiming Unit on the MAA Detail Invoice and attachments must match the name on the Operational Plan.*

**Row 2:** CDHS Contractor (Region)

**Row 3:** Contract number

**Row 4:** Name of person preparing the form

**Row 5:** Title of person preparing the form

**Row 6:** Phone number of person preparing the form

**Row 7:** Date

**Row 8:** Contract year/quarter

**Row 9:** Period of service

### **Medi-Cal Percentages**

The Medi-Cal Discount Percentage represents a ratio of Medi-Cal students to total students in the Claiming Unit. The approved method to calculate the discount percentage is the Actual Client Count (ACC), which the Claiming Unit must obtain from CDHS in the form of a Tape Match that provides the actual count of Medi-Cal students at a particular Claiming Unit. The Claiming Unit must determine this percentage once for the first and second quarters and again for the third and fourth quarters. See Section 10 of this manual for additional information on determining a Claiming Unit's Medi-Cal Discount Percentage.

### **Time Surveys**

Time surveys will be conducted a minimum of three times each year. CDHS will designate a one-week MAA Time Survey period for each quarter. During each quarter, the designated one-week period will vary to ensure a valid basis from which current fiscal year costs are claimed. The time survey is the basis for allocating the time and costs of the Claiming Unit's staff between the different MAA and non-MAA activities. This survey serves as the basis for allocating the salary and benefit costs of the staff included in the Time Survey Cost Pool.

## Averaging Quarter

An LEA can average the time survey results of any quarter in a fiscal year. The LEA must only average one quarter per fiscal year. Averaging applies only if all the individual positions time survey three quarters in that fiscal year. The averaging quarter cannot be chosen after time surveys are completed. Only time surveys with reimbursable MAA time can be used for that quarter. If an LEA time surveys for a particular quarter, the LEA cannot choose to use the average for that quarter. Please see the QUARTER AVERAGING SUPPLEMENTAL WORKSHEET (TAB 6) and PPL 06-009 for more details.

*Example: A Claiming Unit with five employees chooses to average its time survey results for the averaging quarter. Only three of the Claiming Unit's staff participated in each of the first, second, and third time surveys, and the remaining two staff participated in only one of the previous time surveys. The Claiming Unit may average the results of the three staff participating in each of the previous three quarters and enter the average in **Column E**. The remaining two staff who did not participate in all three time surveys must participate in the averaging quarter time survey and enter the results in **Column D**.*

*After entering the number of staff included in the averaging quarter and the number of staff participating in the averaging quarter time survey in **Row 27**, the weighted-average of the two results will be calculated automatically in **Column F**.*

**Column C:** Enter the Medi-Cal Discount Percentage for the period being claimed in **Row 13**. Once entered here, the discount percentage will be transferred to the other worksheets of the MAA Detailed Invoice where necessary.

**Column D:** Enter the results of the time survey by Activity and Code in the unshaded areas of **Rows 10–25**. See Section 5 for a detailed description of each Activity and its associated Code. The invoice will calculate all other cells automatically.

**Column E:** Enter the results of the averaged quarter by Activity and Code in the unshaded areas of **Rows 10–25**. (For details on how to calculate an average see page 11-22)

**Column H:** Enter the State-approved indirect cost rate.

**Row 27:** Column D – For the non-averaged quarter. Enter the number of Claiming Unit Staff participating in the time survey period. This is a required field for every time survey period. Unless it's the averaging quarter, during which no separate time survey is performed.

**Note:** *This is a new requirement.*

- Row 27:** Column E – Enter the number of Claiming Unit staff included in the averaged period per the Time Survey Summary Worksheet (TAB 5). This field is only required for the averaging quarter invoice.
- Row 28:** Enter the Claiming Unit's State Approved Indirect Cost Rate for the current billing period.

### **DIRECT CHARGES WORKSHEET (TAB 2)**

Allowable costs for time and resources related to MAA are determined through either a time survey or separately identified and direct-charged. The purpose of the Direct Charge Worksheet is to capture costs determined through methodologies other than the time survey.

A Claiming Unit may direct-charge costs only if it identifies those costs in its MAA Operational Plan. Unlike the costs captured through the time survey, costs to be direct-charged must be tracked on an on-going basis throughout the fiscal year. These costs are separately itemized on the Direct Charge Worksheet and included in the audit file maintained by the LEC/LGA.

Clerical and supervisory support staff may only be included if they either direct charge or time survey. All participants who direct charge must be included on the Grid.

Seven cost categories of activities may be direct-charged. The type of activity determines whether the Medi-Cal Discount Percentage applies. The seven activities, and whether the Medi-Cal Discount Percentage applies, are as follows:

#### **Non-discounted Direct Charge Activities**

1. Medi-Cal Outreach (Row 29 A). Direct charging is allowed for Medi-Cal outreach when performing activities that inform eligible, or potentially eligible, Medi-Cal individuals about Medi-Cal and how to access the program. Examples include, but are not limited to, informing individuals about the Medi-Cal program, developing materials to inform individuals about the Medi-Cal program and how and where to obtain those benefits, or distributing literature about the Medi-Cal program.
2. Facilitating the Medi-Cal Application (Row 30 A). Direct charging is permitted for this activity when helping an individual to become eligible for the Medi-Cal program. This includes, among other things, related paperwork, clerical activities, training, and travel required to accomplish this end.
3. Medi-Cal Administration, Coordination, Claims Administration, and Training (Row 31 A). Direct charging is permitted for the costs of staff performing Medi-Cal Administration, Coordination, Claims Administration and Training. This includes the time that MAA claiming unit coordinators and LEC/LGA coordinators spend in training, conferences, or meetings related to the MAA program. In addition, this category includes administration, such as overseeing, compiling, revising and



submitting claims and operational plans; and coordination related to the MAA program. Similarly, all related paperwork, clerical duties and necessary staff travel is included.

### **Discounted Direct Charge Activities**

4. Referral, Coordination, and Monitoring of Medi-Cal Covered Services (Row 32 A). Direct charging should be used to reports costs for staff that make referrals for the delivery of Medi-Cal services and who coordinate and monitor the delivery of those services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
5. Transportation Related to Activities in Support of Medi-Cal Covered Services (Row 33 A). The actual cost of arranging for Medi-Cal Non-Emergency, Non-Medical transportation may be direct-charged. These costs include bus tokens, taxi fares, mileage, etc. Costs reimbursed cover the administrative activities involved in scheduling or arranging specialized transportation. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
6. Translation Related to Medi-Cal Services (Row 34 A). Direct charging is allowed for translation-related Medi-Cal services when arranging or providing for translation services to help individuals access and understand treatment and plans of care covered by the Medi-Cal program. Translation services must be provided by or arranged with an individual specifically performing translation functions for the school and it must facilitate access to Medi-Cal covered services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
7. Medi-Cal Program Planning, Policy Development, and Interagency Coordination (Row 35 A). The Claiming Unit should Direct-charge the costs of staff that perform Program Planning and Policy Development 100 percent of their paid time. If performed less than 100 percent, the costs must be determined through the time survey. This activity would include staff time when performing duties associated with the development of strategies to improve the coordination and delivery of medical, dental, and mental health services to school-aged children and when performing collaborative activities with other agencies or providers. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

Direct charges for each of the activities above may consist of the following types of costs:

- **Staff Salary.** For the billing period, 100 percent of the staff member's salary costs must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular MAA activity.

- **Staff Benefits.** For the billing period, 100 percent of the staff member's benefit costs must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular MAA activity.
- **Personal Services Contracts.** If the contract specifically defines the MAA activity to be performed and the cost for each MAA activity, the cost for that contract should be direct-charged. Otherwise the contractor should Time Survey.
- **Other Costs.** The normal day-to-day and monthly operating expenses of the Claiming Unit that are easily identifiable and tracked on an ongoing basis. Examples include, but are not limited to, items such as supplies, utilities, travel, transportation, training, or printing costs.

When determining which costs are to be direct-charged, remember that those costs cannot appear anywhere else on the MAA Detail Invoice as this would result in duplicate claiming. In addition, direct charge costs must be identified in the Claiming Unit's operational plan; otherwise, it may not be direct-charged.

### Entering Costs in the Direct Charges Worksheet

All costs to be direct-charged are entered on this worksheet. Data from this worksheet automatically transfers to the Direct Charge Cost Pool on the Costs and Revenues Worksheet.

Enter costs in the unshaded cells in the appropriate cost column. Separate columns have been provided to record the costs of salaries, benefits, personal services contracts, and other costs as described earlier in this section.

The Medi-Cal Discount Percentage will be automatically applied to the appropriate costs entered on this worksheet based on the activity for which the costs apply.

### Personnel Costs:

- **Column A:** List the description of each staff member for whom salary and benefits will be direct-charged under the appropriate MAA activity as defined in the Grid. For example, enter the costs to be direct-charged for a staff member performing Medi-Cal Outreach in **Row 29a** and a staff member to be direct-charged for Facilitating the Medi-Cal application should be entered in **Row 30a**. Also provide a description of each personal service contract charge in this column under the appropriate activity.
- **Column B:** Enter the total Gross Salary of each staff member for the billing period.
- **Column C:** Enter the Medi-Cal Certified Time Factor for each staff member. The Medi-Cal Certified Time Factor represents the actual amount of time spent by the staff member on the particular activity. The Medi-Cal Certified Time Factor entered for Salary costs will automatically be entered for the corresponding Benefit costs of the staff member.
- **Column G:** Enter the total Gross Benefits of each staff member for the billing period.

*Note: The claimable and nonclaimable portion of Salary and Benefit costs will be automatically calculated based on the Medi-Cal Certified Time Factor and the Medi-Cal Discount Percentage where appropriate based on the MAA activity charged.*

### **Personal Service Contracts:**

- **Column L:** Enter the costs of personal service contracts to be direct-charged for the billing period in the row corresponding to its description under the appropriate MAA activity. Claimable and Nonclaimable costs will be calculated automatically based on the Medi-Cal Discount Percentage where appropriate, based on the MAA activity charged.

### **Other Costs:**

- **Column P:** Enter the Other Costs to be direct charged for the billing period in the row corresponding to its description under the appropriate MAA activity. The invoice automatically calculates Claimable and Nonclaimable costs based on the Medi-Cal Discount Percentage where appropriate, based on the MAA activity charged.

## **PAYROLL DATA COLLECTION WORKSHEET (TAB 3)**

The Federal Government requires that actual expenses be reported and may not be based on estimates or encumbrances. Expenses claimed in an invoice must be recognized in a manner consistent with expense recognition method used in an LEA's general ledger.

Identifying total costs for a billing period will require the Claiming Unit to use and rely on its financial information system and the uniformity of the State's standardized account code structure (SACS). The SACS coding structure will allow the Claiming Unit's costs to be separated into each of the four cost pools utilizing the four-digit SACS Function code as follows:

### **1. Determining Total Salary Costs**

- a. Produce an expenditure report of the Claiming Unit's salary costs (Objects 1000–2999) for the billing period using only Function codes 1000–9999, excluding Function codes 2700 and 7000–7199. **Enter the total in Row 36, Column A.** This combination of Object and Function codes will provide the amount of gross nonclaimable salary expenditures for the billing period that belong to the Non-MAA Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- b. Produce an expenditure report of the Claiming Unit's salary costs (Objects 1000–2999) for the billing period using only Function codes 2700 and 7000–7199. **Enter the total in Row 40, Column A.** This combination of Object and Function codes will provide the amount of gross general and administrative salary expenditures (excluding those costs used in calculating the Claiming Unit's indirect cost rate) that belong to the Allocated Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.

- c. Identify 100 percent of the salary costs of the Claiming Unit's employees participating in the time survey. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199 and enter the result in **Row 37, Column A**. The balance of the costs for those participating in the time survey represents Function codes 2700 and 7000–7199 and should be entered in **Row 41, Column A**.
- d. Identify 100 percent of the Claiming Unit's salary costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199 and enter the result in **Row 39, Column A**. The balance of the direct charge salary costs represents salary cost coded with Function codes 2700 and 7000–7199 and should be entered in **Row 42, Column A**.

## 2. Determining Total Benefit Costs

- a. Produce an expenditure report of the Claiming Unit's benefit costs (Objects 3000–3999) for the billing period using only Function codes 1000–9999, excluding Function codes 2700 and 7000–7199. **Enter the total in Row 36, Column B**. This combination of Object and Function codes will provide the amount of gross nonclaimable benefit expenditures for the billing period that belong to the Non-MAA Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- b. Produce an expenditure report of the Claiming Unit's benefit costs (Objects 3000–3999) for the billing period using only Function codes 2700 and 7000–7199. **Enter the total in Row 40, Column B**. This combination of Object and Function codes will provide the amount of gross general and administrative benefit expenditures (excluding those costs used in calculating the Claiming Unit's indirect cost rate) that belong to the Allocated Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- c. Identify 100 percent of the benefit costs of the Claiming Unit's employees participating in the time survey. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199 and enter the result in **Row 37, Column B**. The balance of the costs for those participating in the time survey should be entered in **Row 41, Column B**.
- d. Identify 100 percent of the Claiming Unit's benefit costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199 and enter the result in **Row 38, Column B**. The balance of the direct charge salary costs represents salary cost coded with Function codes 2700 and 7000–7199 and should be entered in **Row 42, Column B**.

When the above costs have been entered as indicated on the Payroll Data Collection Worksheet, the appropriate costs will be automatically calculated and transferred to the corresponding cost pool on the Costs and Revenues Worksheet.

In addition, all accounting reports, fiscal reports, spreadsheets, and other schedules used to complete the Payroll Data Collection Worksheet should be retained in the audit file.

*Note: The above salary and benefit expenditures should represent costs across all Funds of the Claiming Unit (e.g., general fund, adult education fund, child development fund, etc.). Any expenditures existing in any of the Claiming Unit's Funds considered "not-claimable" under the MAA program will be appropriately filtered utilizing the appropriate SACS Function code where indicated in this manual.*

A summary copy of the Claiming Unit's general ledger supporting the amount entered in Row 36, Columns A & B and Row 40 Columns A and B is must be submitted with the MAA Detail Invoice and MAA Summary Invoice. Invoices submitted without this documentation will not be processed or paid by CDHS.

## **COSTS AND REVENUES WORKSHEET (TAB 4)**

### **Personnel Costs**

**Rows 44–46:** These rows calculate the Claiming Unit's total personnel costs based upon cost information entered on the Direct Charge Worksheet and the Payroll Data Collection Worksheet. Do not enter data into these rows.

### **Revenue Offsets**

The purpose of offsetting revenue or funding against cost is to ensure that the Federal Government participates in its share of the costs only once. Failure to offset federal revenues and state/local matches of federal programs against the costs incurred would result in these costs also being applied to the claim for FFP. The claiming agency would be participating in less than its share by supplanting its share of costs with the federal or other unallowable revenue.

In general, funds that do not require offset include LEA/Claiming Unit general funds, other local public funds, and MAA reimbursements. The following rules govern which revenues received by a program must be offset against costs before a federal match is determined.

1. Federal Revenues. All federally funded costs shall be offset against claimed costs. Including these amounts in the costs claimed for reimbursement will cause the Federal Government to not only fund these costs, but to also pay the Medi-Cal percentage on those amounts, and therefore pay for the same costs twice, which is prohibited by OMB Circular A-87.

2. Matching Revenues. Claimed costs funded by state/local matching funds required by a federal grant must be offset. OMB Circular A-87 stipulates that a cost used to meet a matching or cost-sharing requirement of one federal grant may not also be included as a cost against any other federal grant. State/local match funds become federal monies, carry the same restrictions as the federal funds, and must be identified accordingly.
3. Previously Matched Revenues. All costs funded by State General Fund monies previously matched by the Federal Government must be offset because the Federal Government has already funded these costs. This includes Medi-Cal fee-for-service money. Similar to item 2.
4. Private Health Insurance. Insurance collected from nongovernmental (private health insurance) sources for the delivery of direct client services may not be used as the local share of a federal match for administrative activities. These funds must be offset if the related expenses are included in the MAA invoice.

*Essentially, revenue offsets are costs funded by one of the above revenue sources that may not be claimed for reimbursement from the Federal Government because the Federal Government has already directly or indirectly funded those costs. Therefore, these costs must be removed to avoid billing the Federal Government twice for the same cost.*

**Row 47:** Enter the amount of federally funded costs included in the Direct Charge cost pool (**Column E**) identified in the Personnel Cost section. Be careful to offset costs only to the extent that the personnel costs included in the “claimable” column of the Direct Charge cost pool are funded through federal sources. Enter the balance of federal revenues in **Column H** as non-offset revenue.

*Note: Because local matching funds are usually combined and recorded with federal funds, typically only Row 47 **must be** entered as “offset revenue”.*

**Row 49:** Enter the amount of Other State Revenue funded costs included in the Direct Charge cost pool (**Column E**) identified in the Personnel Cost Section that must be offset. Generally, this includes the State match portion of federally funded programs. Be careful to offset costs only to the extent that personnel costs included in the “claimable” column of the Direct Charge cost pool are funded by Other State Revenue sources required to be offset. Enter the balance of Other State Revenue in **Column H** as non-offset revenue.

**Rows 47–52:** Enter the total amount of all other revenues for each row that are not to be offset in **Column H**. All revenues must be identified whether or not they are to be offset. (For more information on Funding Sources [Revenue], please refer to the PPLs issued under separate cover.)

**Row 55:** This row automatically calculates percentages used to allocate Other Costs and costs included in the Allocated Cost Pool across the Time Survey, Direct Charge, and Non-MAA cost pools based on their percentage of personnel costs to total personnel costs of the three cost pools. The costs are allocated in **Rows 58 and 59**. The Allocated Cost Pool is not considered in this calculation because total costs in the Allocated Cost Pool are subsequently allocated to the remaining cost pools based on the same percentage.

### Other Costs and Allocations

**Row 56:** Enter the costs for **nonspecific** personal service contracts (PSC) that participate in the time survey and are not direct charge contracts in **Row 56, Column A**.

**Nonspecific** contracts are those contracts that do not specifically define the MAA activity to be performed or the cost for each MAA activity.

**Specific** contracts are those contracts that do specifically define the MAA activity to be performed and the cost for each MAA activity. The costs for these contracts should be direct-charged on the Direct Charge Worksheet. For example, this may include a contract to provide a specific MAA service, such as creating and distributing Medi-Cal literature or advertising for Outreach services for a specific cost.

Identify the amount of the Personal Service Contract costs in **Row 56, Columns C–F** that are also included in the Other Costs determined at **Column J Row 58**. Enter the result in **Row 56 Column I**.

**Row 57:** Identify the amount of the Direct Charge Other Costs in **Row 57 Columns E–F** that are also included in the Other Costs determined at **Column J, Row 58**. Enter the result in **Row 57, Column I**.

**Row 56:** Using the Claiming Unit's financial information system, produce an expenditure report for Objects 4000–5999, Functions 2700 and 7000–7199 (Other General Administration), and excluding the Federal series of Resource codes 3000–5999 across all Funds of the Claiming Unit (**e.g.**, general fund, adult education fund, child development fund, etc.) for the billing period and enter the result in **Row 56, Column J**. The result represents the Claiming Unit's net claimable Other Costs, excluding federally funded costs, which may be allocated across the Time Survey, Direct Charge, and Non-MAA cost pools. Not including federally funded costs in this total ensures that the Federal government participates in only its share of program costs.

After analyzing the costs identified in the expenditure report above, enter any other unallowable costs noted by the Claiming Unit in **Row 57, Column J**.

Total Other Costs will first be reduced by the total Personal Service Contract costs entered in **Row 56, Column I**, and Direct Charge Other Costs in **Row 57, Column I**, to avoid duplicate billing of costs because the Claiming Unit has determined these costs to be a component of the Claiming Unit's Other Costs in **Row 58, Column J** through an analysis of these costs. The invoice will automatically allocate the remaining costs across the Time Survey, Direct Charge, and Non-MAA cost pools based on their percentage of personnel costs to total personnel costs of the three cost pools. **Row 55** calculates these percentages and the allocation is calculated across **Row 58**. The Allocated Cost Pool is not considered in this allocation because total costs in the Allocated Cost Pool are subsequently allocated to the remaining cost pools based on the same percentage. Generally, Other Costs include the normal day-to-day and monthly operating expenses necessary to run the Claiming Unit.

**Row 59:** This row calculates the allocation of General and Administrative costs in the Allocated Cost Pool based on the percentages calculated in **Row 55**.

**Row 60:** This row calculates a subtotal of costs before applying the Claiming Unit's indirect cost rate.

**Row 61:** This row calculates the costs of applying the Claiming Unit's indirect cost rate to the sub-total in **Row 60**.

**Row 62:** This row calculates the totals for each column.

A summary copy of the Claiming Unit's general ledger supporting the amount entered in Row 56, Column J must be submitted with the MAA Detail and MAA Summary Invoice. Invoices submitted without this documentation will not be processed or paid by CDHS.

## FFP Calculations

**Rows 63–65:** Do not enter data in these rows. These rows calculate the FFP based upon data entered on this worksheet and each of the previous three worksheets.

**Row 63:** These amounts represent the claimable portion of the Time Survey and Direct Charge costs (**Columns C and E**).

**Row 64:** This row applies the Medi-Cal Federal Financial Participation percentage (50%) to the claimable costs (**Claimable Costs X FFP Percentage**) to arrive at the federal share of costs for each cost pool.

**Row 64I:** Enter the Prior Year corresponding Quarter invoice reimbursement amount. This cell is used to determine if a 20% Invoice Percentage Variance Form



needs to be submitted with the invoice. If the message “Must Submit 20% Variance Form” appears, then you must submit the form. (See Appendix F.)

**Row 64K:** Enter the Current Year Prior Quarter Invoice reimbursement amount. This cell is used to determine if a 20% Invoice Percentage Variance Form needs to be submitted with the invoice. If the message “Must Submit 20% Variance Form” appears, then you must submit this form. (See Appendix F.)

**Rows 65:** Adds **Columns C and E** of **Row 64** to arrive at the “Total Federal Share” of the MAA costs for the billing period. The Invoice automatically transfers this amount to the MAA Summary Invoice for billing.

### **CLAIMING FOR SUBCONTRACTORS**

The costs for subcontractors providing MAA-related services should be billed in a manner similar to personal services contracts and included in the invoice for the Claiming Unit as follows:

#### **Specific Contracts**

If the contract is "specific," meaning that the contract specifically defines the MAA to be performed and the cost for each activity, the costs should be direct-charged and entered in the Direct Charges Worksheet (Tab 2) under the “Personal Services Contracts” column (**Column L**) on the row corresponding to the appropriate activity.

#### **Non-Specific Contracts**

If the contract is "nonspecific," meaning that the contract does not specifically define the MAA activities to be performed and the cost for each allowable activity, the contractor’s staff must time survey and include those costs in the Time Survey Cost Pool in **Row 56, Column A** of the Costs and Revenues Worksheet (Tab 4).

### **ALTERNATIVE CLAIMING METHODOLOGY**

A Claiming Unit may choose the following methodology as an alternative to claiming for MAA costs. Although this methodology is less administratively burdensome, it results in a reduced reimbursement when compared to the standard methodology discussed in the preceding pages of this section. Each Claiming Unit should carefully analyze each methodology before deciding which alternative is best suitable for its situation.

#### **Activities and Medi-Cal Percentages Worksheet**

Conduct the time survey and determine the Claiming Unit’s Medi-Cal Discount Percentage and its indirect cost rate. Enter the Medi-Cal Discount Percentage in **Row 13, Column C** and the indirect cost rate in **Row 28, Column H**. Enter the results of the time survey in **Rows 10–25, Column D**.

## Direct Charges Worksheet

Enter costs into this worksheet where indicated and as directed under the standard methodology discussed in the preceding pages of this section.

## Payroll Data Collection Worksheet

**Salary Costs:** Enter 100 percent of the Claiming Unit's salary costs in **Row 36, Column A**. Enter 100 percent of the salary costs for those participating in the time survey in **Row 37, Column A**. Enter 100 percent of salary costs to be direct-charged in **Row 38, Column A**.

**Benefit Costs:** Enter 100 percent of the Claiming Unit's benefit costs in **Row 36, Column B**. Enter 100 percent of the benefit costs for those participating in the time survey in **Row 37, Column B**. Enter 100 percent of benefit costs to be direct-charged in **Row 38, Column B**.

No costs should be entered in **Rows 40–42**.

## Costs and Revenues Worksheet

Enter costs into this worksheet where indicated and as directed under the standard methodology discussed in the preceding pages of this section.

*Note: Under the alternative methodology, claimable costs are lower when compared to the standard methodology because the costs that would be accumulated under the Allocated Cost Pool under the standard methodology are now being accumulated in the Non-MAA Cost Pool under the alternative methodology. Therefore, costs in each of the "claimable" cost pools is lower by the amount of allocable costs not allocated, which also results in a reduced base when applying the Claiming Unit's indirect cost rate. However, the Claiming Unit is relieved of the administrative responsibility of determining the costs to include in the Allocated Cost Pool.*

## **MAA SUMMARY INVOICE WORKSHEET (TAB 5)**

It is the responsibility of the LEC/LGA and LEA MAA Coordinators to review all invoices for completeness and accuracy prior to submitting them to CDHS. Invoices submitted using an incorrect format will be returned without being reviewed. To expedite the review and payment process, it is necessary to follow all the instructions. The following items must be included:

- MAA Summary Invoice
- Invoice Variance Form
- Activities and Medi-Cal Percentages Worksheet
- Time Survey Summary Report – not necessary if only direct charging
- Direct Charges Worksheet
- Payroll Data Collection Worksheet

- Payroll Data Collection & Other Summary Sheet (Maintain actual staff ledger reports for audit purposes).
- Costs and Revenues Worksheet
- Supporting Documentation
- Claiming Units Function Grid
- Checklist for preparing MAA Detail Invoice
- Checklist for preparing MAA Summary Invoice

The original MAA Summary Invoice, MAA Detail Invoice, Grid, documentation supporting the time survey results, summary general ledger reports as indicated on the MAA Detail Invoice Checklist (pages 11-23 and 11-24) must be submitted to CDHS for each quarter billed. Claiming Unit's must submit its invoices to its appropriate LEC/LGA.

### **PAYMENT PROCESS**

MAA claims are submitted to CDHS, Administrative Claiming Operations Unit (ACOU). The invoices are reviewed for fiscal integrity and compared to the Grid. If the invoice is accepted, reviewed and approved by the ACOU, the invoice will be forwarded to the Accounting Office for payment processing. The Accounting Office will prepare the invoices for payment and forward them to the State Controller's Office (SCO) for payment. Warrants are made payable to the LEC/LGA Treasurer.

All LEC/LGA invoices must be submitted to CDHS within 15 months of the end of the quarter claimed.

Invoices submitted after these dates **may** not be paid. Many claiming units wait until the last moment to submit claims, creating a peak workload demand that can delay review and payment of invoices that have been submitted timely to CDHS.

If the LEC or LGA anticipates a delay in submitting invoices by the above due dates, the LEC/LGA Coordinator must sign and submit a "Late Invoice Submission Request" form at least two weeks before the due date, pursuant to Policy and Procedure Letter 06-005.

If an invoice is denied, a LEC/LGA can request a reconsideration of the CDHS decision to deny an invoice. The request must be filed in writing and within 30 days after the receipt of the written notice of denial. The review process is limited to a programmatic or accounting reconsideration based upon additional supporting documentation requested by and submitted to CDHS. Revisions to previously paid invoices must follow CDHS guidelines.

### Examples of costs that are not claimable as Medi-Cal administration:

- Activities that are an integral part or extension of direct medical services, such as patient assessment, education, or counseling. In addition, the cost of any consultations between medical professionals is already reflected in the payment rate for medical assistance services and may not be claimed separately as an administrative cost. However, the time spent by the student's designated IEP case manager in coordinating and monitoring consultations between professionals may be allowable MAA time under activity Code 8 (Referral, Coordination, and Monitoring of Medi-Cal Covered Services).
- Overhead costs of operating a provider facility.
- An activity that has been, or will be, paid as a medical assistance service (or as a service of another non-Medi-Cal program) shall not be paid again as a Medi-Cal administrative cost.
- An activity that has been, or will be, paid as a Medi-Cal administrative cost shall not be claimed again.
- An activity that is included as part of a managed care rate and is reimbursed by the managed care organization, shall not be claimed as Medi-Cal administration or through a fee-for-service payment rate.
- Cost of elected officials.

MAA providers must distinguish between duplicate payments for the same activity and the inefficient use of resources, which may result in the unnecessary duplication of an activity. Duplication of services or administrative activities can be avoided by coordinating activities and staff. If the same Medi-Cal eligible child received IEP services from both a school and a medical care organization (MCO), there must be a concerted effort to ensure that Medi-Cal is not paying for the same services twice, once to the MCO and again to the school.

### **SUBMITTING CORRECTIONS and REVISIONS**

**Corrections:** All invoices submitted for payment are reviewed by CDHS staff. If errors are found or additional documentation is required, CDHS staff will contact the MAA Coordinator. It may be possible to resolve the error by phone or by the LEC/LGA submitting additional documentation (FAX and/or mail). If this can be accomplished in a few days, the invoice will be held at CDHS pending resolution. Otherwise, the invoice(s) will be returned to the LEC/LGA with a written explanation of the reasons it is being returned for correction.

When the LEC/LGA corrects and returns the rejected invoice, it must identify the resubmitted invoice as a Corrected Invoice. The corrected invoice must be identified as a "Correct Invoice" in the transmittal letter and also in the invoice number. The invoice number should reflect the correction by adding a C-1 to the invoice

number. If subsequent corrections are required, the invoice number will reflect the number of corrections (C-2), etc. For instance the invoice number for first corrected invoice of the second quarter of fiscal year 2003/04 should read as "03/04-2-C1" (fiscal year-quarter-correction number).

A LEC/LGA may discover the need to correct the invoice before the invoice has been paid. In these situations, the LEC/LGA must submit the corrected invoice identifying it as a "Correct Invoice" in the transmittal letter and also in the invoice number.

**Revisions:** Sometimes, after an invoice has been processed and paid, a LEC/LGA may discover the need to revise the invoice. In these situations, the invoice should be recomputed and resubmitted along with a copy of the original paid invoice summary sheet. The revised invoice must be identified as a "Revised Invoice" in the transmittal letter and also in the invoice number (i.e., R-1). If the revision results in a CDHS credit invoice, the LEC/LGA must submit a check for the amount of the **difference** along with a copy of the original invoice and the revised invoice.

The invoice number for the second revised invoice of the third quarter of fiscal year 2004/05 should read as "04/05-3-R2" (fiscal year-quarter-revision number).

**Credits:** Every credit Revised Invoice submitted to CDHS must be accompanied with a check from the respective entity in the amount of the revision (i.e., the **difference** between the original amount and the revised amount).

*Note: Corrections and Revisions require a new MAA Summary Invoice and Checklist*

#### **QUARTER AVERAGING SUPPLEMENTAL WORKSHEET (TAB 6)**

If a claiming unit chooses to average a particular quarter, they must submit with their invoice a Quarter Averaging Worksheet. Enter the number of participants and total hours for each activity code in the worksheet and it will automatically calculate the average.

Additionally, all claiming units are required to complete the Time Survey Summary Worksheet. The Time Survey Summary worksheet must be kept onsite in the operational plan. **These supplemental averaging worksheets are a requirement for invoices submitted beginning fiscal year 2005/2006 First Quarter.**

- **Averaging:** Applies only if all the participants time survey three quarters in that fiscal year. The LEA can average the time survey results of any quarter in a fiscal year. The averaging quarter cannot be chosen after time surveys are completed. Completed surveys must be used for that quarter.

How to Average:

1. Identify those individual positions that participated in each of the three quarters time surveyed during the fiscal year.
2. Compile the time survey results for each of the individual positions identified by Activity Code for each of the three quarters to arrive at a new recalculated time survey percentage.
3. The recalculated percentages should be added together and divided by three. This will give you the averaged quarter averaging percentages.
4. Be sure to make your calculations clear and well documented in the event of an audit or site visit.
5. This worksheet must be submitted with each invoice that you have chosen to average.
6. If a Claiming Unit, wishes to claim for an individual position that did not time survey all three quarters, the position must participate in a separate time survey quarter.

A summary copy of the Claiming Unit's non-averaged quarter time survey results must be submitted with the MAA Detail and MAA Summary Invoice. A Quarter Averaging Worksheet which contains a separate Quarter Time Survey must be submitted with the Averaging Quarter invoice. Invoices submitted without this documentation will not be processed or paid by CDHS.

## **SUMMARY OF SACS-BASED FINANCIAL REPORTS**

**Activities and Medi-Cal Percentages Worksheet:** No SACS financial reports required.

**Direct Charges Worksheet:** No SACS financial reports required.

**Payroll Data Collection Worksheet:**

### **Column A:**

**Row 36** – Include Objects 1000–2999, Functions 1000–2699, 3000–6999 and 7200–9999.

**Row 40** – Include Objects 1000–2999, Functions 2700 and 7000–7199.

### **Column B:**

**Row 36** – Include Objects 3000–3999, Functions 1000–2699, 3000–6999 and 7200–9999.

**Row 40** – Include Objects 3000–3999, Functions 2700 and 7000–7199.

**Costs and Revenues Worksheet:**

**Row 47** – Federal Revenues, include Objects 8100–8299.

**Row 48** – State Revenue Limit Sources, include Objects 8010–8099.

**Row 49** – Other State Revenues, include Objects 8300–8599.

**Row 50** – Other Local Revenues, include Objects 8600–8799.

**Row 51** – Other Financing Sources, include Objects 8910–8979.

**Row 52** – Contributions to Restricted Programs, include Objects 8980–8999.

**Row 56, Column J** – Other Costs Net of Federal Revenues, include Objects 4000–5999, Functions 2700 and 7000–7199. Also, to remove federally funded expenditures, include only Resources 0000–2999 and 6000–9999.

### **CHECKLIST FOR PREPARING THE MAA DETAIL INVOICE**

Before the Detail Invoice Packet is submitted for reimbursement, this checklist must be completed to ensure completion of the following requirements. Incomplete packets will not be processed. All claims will be reviewed for reasonableness and consistency.

- \_\_\_\_\_ The proper format is used.
- \_\_\_\_\_ The current/updated version of the forms are used.
- \_\_\_\_\_ The LEC/LGA name is on the invoice.
- \_\_\_\_\_ The correct contract number is used.
- \_\_\_\_\_ The period of service is correct.
- \_\_\_\_\_ The Claiming Unit name is the same as identified on the Grid.
- \_\_\_\_\_ The California District Code Number is identified on the Grid.
- \_\_\_\_\_ The invoice number matches the period of service. If the invoice is a correction, add C-1, C-2, etc. If it is a revision, add R-1, R-2, etc.
- \_\_\_\_\_ The methodology/actual count/ tape match varies from previous invoices.
- \_\_\_\_\_ The required documents must be signed in blue ink by both the LEC/LGA Coordinator and the LEA Coordinator:
  - MAA Summary Invoice (Include all worksheets – TABS 1–5)
  - Variance form
  - Claiming Unit Functions Grid
  - Detail and summary checklists
- \_\_\_\_\_ There are no "Error" comments on the claim.
- \_\_\_\_\_ The required supporting documentation is attached.

(A description is only required if the claiming unit deviates from the SACS reporting requirements, such as a Community College or Non Public School.)
- \_\_\_\_\_ The Claiming Unit Function Grid is attached to each quarterly invoice and includes only the number of people claimed in that invoice. (Signatures of both the LEC/LGA Coordinator and the LEA Coordinator are required).
- \_\_\_\_\_ Documentation supporting the time survey results, general ledger reports as indicated on the MAA Detail Invoice.
- \_\_\_\_\_ The Averaging Quarter includes the averaged quarters Claiming Grids.
- \_\_\_\_\_ The same Medi-Cal percentage is used for Quarters 1 and 2.
- \_\_\_\_\_ The same Medi-Cal percentage is used for Quarters 3 and 4.
- \_\_\_\_\_ Administrative fees are not reported by both the LEA and LEC/LGA.
- \_\_\_\_\_ Verify the total amount.

**SIGN AND DATE TO INDICATE THAT ALL ABOVE ITEMS HAVE BEEN REVIEWED.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE



## **CHECKLIST FOR PREPARING THE MAA SUMMARY INVOICE**

Each MAA Summary Invoice sent to CDHS by the LEC/LGA must be accurate and complete. To assist CDHS in reviewing and processing your MAA Claims expeditiously, the LEC/LGA must complete this checklist and verify the following items.

- \_\_\_\_\_ Include the Invoice Variance Form (refer to Appendix F) showing the reason for 20% discrepancy between consecutive quarters and year-to-year quarters. **New Variance Form is required effective 05/06 invoices.**
- \_\_\_\_\_ Confirm the MAA Summary Invoice is prepared on the letterhead of the LEC/LGA agency which is under contract with the Department of Health Services.
- \_\_\_\_\_ Confirm the LEC/LGA Name is correct.
- \_\_\_\_\_ Confirm the contract number is correct.
- \_\_\_\_\_ Confirm that the period of service is correct and matches the period of service on the corresponding MAA Detail Invoice.
- \_\_\_\_\_ Confirm the Claiming Unit name is the same as the MAA Detail Invoice.
- \_\_\_\_\_ Verify that the invoice number is the same as the MAA Detail Invoice.
- \_\_\_\_\_ Confirm the amount to be reimbursed on the MAA Summary Invoice is the same as the Total Federal Share amount on the FFP Calculations Worksheet.
- \_\_\_\_\_ Confirm the MAA Summary Invoice is dated and has an original signature (preferably in blue ink but not BLACK ink).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date